

REMARKS

The amendments and remarks presented herein are believed to be fully responsive to the Office Action.

Claims 1-3, 6, 7, 10, 11 and 16-18 are pending in the present application. Claims 12-15 have been canceled. No new matter has been added. The independent claims recited by the present application are claims 1, 16 and 17.

CLAIM OBJECTIONS

The Office Action objects to claim 16 under 37 CFR § 1.75(c), as being of improper dependent form. Applicant respectfully amends claim 16 to place the claim in proper independent form as shown above. Therefore, claim 16 is now in condition for allowance.

CLAIM REJECTIONS:

A. Claim Rejections under 35 U.S.C. § 101

The Office Action rejects claim 17 under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. Applicant respectfully amends claim 17 by adding limitations of hardware components, such as a processor and a memory.

The Office Action further rejects claims 1-3, 6, 7, 10-16 and 18 under 35 U.S.C. §101 because the claimed invention is directed to non-statutory subject matter. The Office Action notes that a method/process claim must (1) be tied to another statutory class of invention or (2) transform underlying subject matter (such as an article or material) to a different state or thing. The Office Action states that claims 1-3, 6, 7, 10-16 and 18 fail to meet one of the above-

requirements because they are not tied to a second statutory class. Applicants respectfully traverse these rejections.

With regard to claim 16, the amended claim 16 recites “One or more computer-readable media having stored thereon a computer program that, when executed by one or more processors, causes the one or more processors to perform acts including” instead of the preamble “the computer readable record medium recording a program for....”

The Federal Circuit also supports the patentability of a claim involving computer-readable media having stored thereon a computer program. The Federal Circuit held that claims involving computer-readable media with software installed thereon are valid, patentable subject matter under 35 U.S.C. § 101. *In re Lowry*, 32 F.3d 1579, 1580 (Fed. Cir. 1994); *Eolas Technologies, Inc. v. Microsoft Corp.*, 399 F.3d 1325, 1331 (Fed. Cir. 2005); *AllVoice Computing PLC v. Nuance Communications, Inc.*, 504 F.3d 1236, 1238 (Fed. Cir. 2007); *Z4 Technologies, Inc. v. Microsoft Corp.*, 507 F.3d 1340 (Fed. Cir. 2007). The court noted that claims reciting a computer readable (or usable) medium having computer readable instructions (or code) embodied therein are patentable subject matter under 35 U.S.C. § 101 because the claimed invention imposed “physical organization” on the data and that the data stored in the memory created an “electronic structure. *In re Lowry*, 32 F.3d at 1579.

In *In re Lowry*, Claim 1 of the patent at issue recites: A memory for storing data for access by an application program being executed on a data processing system, comprising: a data structure stored in said memory, said data structure including information resident in a database used by said application program and including: a plurality of attribute data objects stored in said memory, each of said attribute data objects containing different information from said database;.... The Federal Circuit found that Claim 1 is patentable under 35 U.S.C. § 101. 32 F.3d at 1581.

Further, in *Eolas Technologies, Inc.*, Claim 6 of the patent at issue recites: 6. A computer program product for use in a system having at least one client workstation and one network server coupled to said network environment, wherein said network environment is a distributed hyperrmedia environment, the computer program product comprising: a computer usable medium having computer readable program code physically embodied therein, said computer program product further comprising: computer readable program code for causing said client workstation.... The Federal Circuit found that Claim 6 is patentable under 35 U.S.C. § 101. 399 F.3d at 1331.

In *Eolas Technologies, Inc. v. Microsoft Corp.*, the court found that “[w]ithout question, software code alone qualifies as an invention eligible for patenting under [35 U.S.C. § 101]...software code claimed in conjunction with a physical structure, such as a disk, fits within at least those two categories [processes and manufacture] of subject matter within the broad statutory label of ‘patented invention.’” *Id.* at 1339.

In *Z4 Technologies, Inc. v. Microsoft Corp.*, Claim 32 of the patent at issue recites: 32. A computer readable storage medium having data stored therein representing software executable by a computer, the software including instructions to reduce use of the software by unauthorized users, the storage medium comprising: instructions for requiring a password associated with the software; instructions for enabling the software after the password has been communicated to the software; instructions for subsequently requiring a new password to be communicated to the software for continued operation of the software; and instructions for automatically contacting an authorized representative of the software to communicate registration information and obtaining authorization for continued operation of the software. 507 F.3d at 1345.

In *Z4 Technologies, Inc.*, Z4 Corporation sued Microsoft for patent infringement. And the jury returned a verdict of willful infringement and awarded Z4 damages. 507 F.3d at 1346. Microsoft appealed for a variety of reasons, though none alleging that the claims themselves were invalid as unpatentable subject matter under 35 U.S.C. § 101. *Id.* The court affirmed the jury verdict, thereby implicitly affirming the validity of the patent claims.

B. Claim Rejections under 35 U.S.C. § 102

A claim is anticipated under 35 U.S.C. §102 only if each and every element as set forth in the claim is found, either expressly or inherently described, in a single prior art reference.

Verdegaal Bros. v. Union Oil Company, 814 F.2d 628 (Fed. Cir. 1987). The identical invention must be shown in as complete detail as is contained in the claim of the invention. Richardson v. Suzuki Motor Company, 868 F.2d 1226, 1236 (Fed. Cir. 1989). With regard to “inherency,” the fact that a certain result or characteristic may occur or be present in the prior art is not sufficient to establish the inherency or characteristic. In re Rijckaert, 9 F.3d 1531, 1534, 28 U.S.P.Q.2d 1955, 1957 (Fed. Cir. 1993). To establish inherency, the extrinsic evidence must make clear that the missing descriptive matter is necessarily present in the thing described in the reference and that it would be recognized by persons of ordinary skill. Inherency, however, may be established by probabilities or possibilities. The mere fact that a certain thing may result from a given set of circumstances is not sufficient. In re Robertson, 169 F.3d 743, 745, 49 U.S.P.Q.2d 1949, 1950-51 (Fed. Cir. 1999). Also, a reference cannot anticipate a claim if there is any structural difference, even if the prior art device performs the function of the claim. In re Ruskin, 347 F.2d 843, 146 U.S.P.Q. 211 (CCPA 1965).

The Office Action states that claims 1, 10, 16 and 18 are rejected under 35 U.S.C. § 102(e) as being anticipated by Cassidy et al., U.S. Patent No. U.S. 7,107,226 (hereinafter “Cassidy ‘226”). Applicants respectfully traverse these rejections.

Claim 1

The amended independent claim 1 recites the following limitations:

... receiving a search request for goods from a searcher;

providing a search result list of the goods in response to the search request for the goods, the search result list of the goods including the search listings;

providing an Internet link to a seller of goods associated with one of the provided search listings so that the searcher can purchase the goods at the seller's website;

detecting a click-through to the Internet link by the searcher;

in response to the detected click-through, generating and storing selling price information by referring to selling price information included in the search listing selected by the searcher; and

generating advertising costs, irrespective of purchase of the goods at the seller's website, for each seller for a first predetermined period based, at least in part, upon click-through information, a predetermined selling commission rate and the stored selling price information.

By way of background and illustration, amended claim 1 describes a method of charging commission-like service fee or advertising service fee for price comparison services whereas Cassidy '226 discloses a method of managing e-commerce marketplace with price comparison function. The conventional commission for an e-commerce marketplace is different from a commission-like service fee for a price comparison service of the present invention.

The conventional shopping mall operator charges commission per transaction or order to third party vendors whereas the conventional price comparison service operator charges in a cost-per-click billing strategy. A price comparison service (also known as price engine) allows individuals to see lists of prices for specific products. Most price comparison services do not sell products themselves, but source prices from retailers from whom users can buy. Depending on

the particular business model of the comparison shopping site, retailers will either pay a flat fee to be included on the site or pay a fee each time a user clicks through to the retailer web site whether or not any transaction is made after the click-through. Thus, the price comparison services is more like a keyword advertising associated with a typical search engine and it uses CPC (Cost Per Click) model for billing. Since the price comparison service does not track order history, the conventional accounting method for the price comparison service did not charge commission-like service fee. However, the present invention introduces a novel method of charging commission-like service fee based on click-through and selling price of a product for the price comparison services.

Whereas, e-commerce shopping mall service provides a web site implementing a process whereby consumers go through to purchase products on the web site over the Internet. The key difference between the price comparison service and the e-commerce shopping mall service is where an order is placed by consumers. For example, www.ebay.com provides e-commerce open marketplace where consumers can purchase products from third-party sellers such that the consumers can place an order at www.ebay.com website without transfer to individual vendor's website. In this case, an operator often charge commission based upon the selling price when transaction is complete or an order is placed. The service disclosed in Cassidy '226 is an e-commerce marketplace service because it allows consumers to place an order on its own web site. For example, column 5, lines 56-64 of Cassidy '226 recites:

The system of the applicants' invention for online shopping, embodies product information of multiple vendors, manufacturers and products, thereby enabling the user to selectively aggregate an order in the virtual shopping cart across the spectrum of such vendors, manufacturers and products. Once the order has been assembled, the order is electronically disaggregated by the software to produce

vendor-specific orders which are transmitted to each individual vendor whose products have been selected.

Cassidy '226 discloses a price comparison application for the e-commerce marketplace service. However, the web site implemented by Cassidy '226 is not a price comparison service but an e-commerce marketplace service with a price comparison function because the transaction is made at the same web site. As referred by the Examiner, "a direct transactional link established between a product supplier and a purchaser" is disclosed by column 9, lines 49-60 of Cassidy '226:

The online comparison shopping system of the invention therefore operates as a virtual mall for the purveyed products. A direct transactional link is established between the product supplier and the purchaser, thereby facilitating and enabling electronic commerce involving such products. The vendor therefore has an advertising and promotional forum, and hyperlinks may be embedded in the system to the vendors' home pages or other Web sites. The system proprietor, in providing the shopping forum for the vendor's products, thereby provides an outlet service to the vendor, which may be compensated by a mutually agreed compensation schedule or commission rate.

However, the direct link does not direct the customer to the supplier's website for placing an order. According to the above-quoted description, the system of Cassidy '226 operates as a virtual mall for the purveyed products, thereby provides an "outlet service to the vendor." In order to properly construe the term "outlet", one can reasonably refer to a common dictionary definition of the term "outlet" which means - a market for goods; a store, merchant, or agency selling the goods of a particular wholesaler or manufacturer. Unlike the price comparison service of the present invention, the system of Cassidy '226 allows customers to place an order of a product at its own website without link to a vendor's website. Any hypertext link shown in FIGS 1-58 either directs users to other web page of the same website or provides detailed

information. Cassidy '226 does not disclose any hypertext link which allows customers to access vendor's websites to place an order of a searched product. Therefore, the commission fee disclosed by Cassidy '226 is not for product comparison services based on click-through but for the sale transaction of a product sold at the web site which is generally calculated on the basis of a percentage of the product sold. For the e-commerce marketplace service, a service operator has often charged commission fee based on the actual transaction and a selling price thereof while none of the cited reference discloses charge of commission-like fee based on the click-through and selling price of selected product for the price comparison service as disclosed in the present invention. **Furthermore, the claimed invention generates advertising costs, irrespective of purchase of the goods at the seller's website, for each seller based upon click-through information, a predetermined selling commission rate and the selling price information.** As such, Cassidy '226 does not anticipate the present invention. Therefore, claim 1 is now in condition for allowance.

Claims 10 and 18

The Examiner rejected claims 10 and 18 which depend from claim 1 as being anticipated by Cassidy '226. The above remarks are equally applicable for the dependent claims 10 and 18. As such, claims 10 and 18 are clearly allowable over the cited prior art.

Claim 16

The amended independent claim 16 recites the same limitations with the independent claim 1. Thus, the above remarks are equally applicable for the dependent claim 16. As such,

claim 16 is clearly allowable over the cited prior art.

C. Claim Rejections under 35 U.S.C. § 103

LEGAL PRINCIPLE - To establish a prima facie case of obviousness, three basic criteria must be met. First, there must be some suggestion or motivation, either in the references themselves, or in the knowledge generally available to one of ordinary skill in the art, to modify the reference or to combine the reference teachings. Second, there must be a reasonable expectation of success. Finally, the prior art reference (or references when combined) must teach or suggest all claim limitations. The teaching or suggestion to make the claim combination or combine the references and the reasonable expectation of success must both be found in the prior art and not based on the Applicant's disclosure. In re Vaeck, 947 F.2d 488 (Fed. Cir. 1991).

With regard to the first criteria for a suggestion or motivation to modify or combine references, obviousness can only be established by combining or modifying the teachings of the prior art to produce the claimed invention where there is some teaching, suggestion, or motivation to do so either explicitly or implicitly in the references themselves or in the knowledge generally available to one of ordinary skill in the art. The test for an implicit showing is what the combined teachings, knowledge of one of ordinary skill in the art, and the nature of the problem to be solved as a whole would have suggested to those of ordinary skill in the art. In re Kotzab, 217 F.3d 1368 (Fed. Cir. 2000). Courts and patent examiners should determine whether needs or problems known in the field and addressed by the prior art references can provide a reason for combining the elements in the manner claimed. KSR Intern. Co. v. Teleflex Inc., No. 04-1350, 2007 WL 1237837, at 4 (Apr. 30, 2007). "In formulating a rejection under 35

USC § 103(a) based upon a combination of prior art elements, it remains necessary to identify the reason why a person of ordinary skill in the art would have combined the prior art elements in the manner claimed.” Memo on KSR Decision to Examiners issued by the United States Patent and Trademark Office, May 4, 2007. The prior art is not sufficient to establish obviousness without some objective reason to combine the teachings of the references. In re Kotzab, 217 F.3d 1368 (Fed. Cir. 2000), also see In re Sang Su Lee, 277 F.3d 1338 (Fed. Cir. 2002).

The Office Action states that claims 2, 3, 6, 7, 11-15 and 17 are rejected under 35 U.S.C. § 103(a) as being unpatentable over Cassidy ‘226 in view of U.S. Patent No. 7,043,471 issued to Cheung et al. (hereinafter “Cheung ‘471”). Applicants respectfully traverse these rejections.

Both Cassidy ‘226 and Cheung ‘471 or combination thereof fails to disclose each and every element recited in the independent claims 12, 14 and 17 of the present application.

Claims 2, 3, 6, 7 and 11

The Office Action states as follows:

Although Cassidy discloses tracking customer order history and remembering shopping cart contents whether or not the customer makes a purchase, Cassidy does not specifically disclose a cost-per-click billing strategy. However, Cheung, as shown, discloses the following limitations: Office Action page 7, lines 6-10.

As discussed above, Cassidy ‘226 does not disclose cost-per-click billing method because the system disclosed by Cassidy ‘226 provides not a keyword advertising service but a shopping mall service. The cost-per-click billing method is common for keyword advertising service while commission fee is common for the shopping mall service. The present invention

provides a combined method of commission fee and cost-per-click billing strategy and applies the combined method to the price comparison services which is analogous to the keyword advertising. Cassidy '226 discloses application of commission rate for a typical shopping mall service. However, neither Cassidy '226 nor Cheung '471 teaches or suggest application of commission rate based upon click through information to a price comparison service. As such, Cassidy '226 fails to disclose limitations recited in the independent claims 1 of the present application and Cheung '471 still fails to remedy the deficiencies of Cassidy '226 in teaching all the elements and limitations of the claims of the present invention. Neither Cheung '471 nor Cassidy '226 nor their combination disclose or teach all the elements and limitations of the claims of the present invention.

Claims 2, 3, 6, 7 and 11 depend from independent claim 1 and, as such, are in allowable condition since claim 1 is clearly allowable over the cited prior art.

The other independent claim 17 recites similar distinguishing elements. Thus, the same arguments apply to those claims.

If any issue regarding the allowability of any of the pending claims in the present application could be readily resolved, or if other action could be taken to further advance this application such as an Examiner's amendment, or if the Examiner should have any questions regarding the present amendment, it is respectfully requested that the Examiner please telephone Applicant's undersigned attorney in this regard.

Respectfully submitted,

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Amendment A

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